

MWP Trade Log | Tactical Mutual Fund

Mutual Fund Portfolio

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MWP Tactical Mutual Fund

Overview

The LPL Research Tactical Model Portfolio Committee (MPC) has made changes to the Tactical Mutual Fund models on the Model Wealth Portfolios (MWP) platform. These changes primarily target increasing exposure to large cap growth style equities and decreasing exposure to small and mid (SMID) cap value style equities.

The Tactical MPC made these changes following tactical guidance from the LPL Research Strategic and Tactical Asset Allocation Committee (STAAC). The STAAC recently upgraded its tactical view on large cap growth equities and downgraded small cap value equities, based primarily on LPL Research's quantitative and technical analysis. Large cap growth equities, bolstered by superior earnings power, AI-driven momentum, robust balance sheets, and lower sensitivity to interest rate changes, outweigh concerns about higher valuations and rotation risks. Historically, large caps also tend to do well as the economy slows. In contrast, small cap value equities are likely to face persistent challenges from rising interest rate volatility and a cooling economy in 2025, which supersedes generally attractive valuations on a tactical basis. The STAAC's tactical quantitative and technical analysis work indicates the SMID cap value equity outlook has deteriorated. Though SMID cap value stocks are attractively valued and benefit from their domestic focus in this tense trade environment, tactically, large caps possess better momentum, greater earnings power, and less interest rate sensitivity.

In all Investment Objectives (IO), we added to a large cap growth equity mutual fund (Ticker: LSGRX), funded by trimming or eliminating a combination of mid cap value equity (Ticker: JVMIX), a mid cap blend equity (Ticker: TMCPX), and small cap value equity (Tickers: CSCZX and UBVSX) mutual funds.

We don't expect risk levels to change following these trades and to continue to be fairly neutral relative to benchmark levels. All IOs continue to have benchmark weight allocations to equities and are underweight cash; most IOs are around benchmark weight fixed income (except the more conservative that remain overweight); and all IOs have an allocation to alternative investments. Within the equity allocations, there continues to be an overweight to domestic equities, an underweight to emerging market equities, an increased overweight to large cap equities, and an underweight to small cap equities. Domestic equity allocations are designed to have an overweight exposure to growth-style equities relative to value. The interest rate sensitivity of the core bond allocations remains around neutral relative to the benchmark, and, in most IOs, there continues to be an allocation to preferred securities.

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Summary of Changes

Asset Class	Category	Name	Ticker	Investment Objective (IO)									
				Aggressive Growth (AG)		Growth (G)		Growth with Income (GWI)		Income with Moderate Growth (IMG)		Income with Capital Preservation (ICP)	
				Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
Equities	Large Growth	Loomis Sayles Growth Y	LSGRX	12.0%	16.0%	10.5%	13.5%	8.0%	10.0%	5.5%	7.5%	3.0%	4.0%
	Mid Value	JHancock Disciplined Value Mid Cap I	JVMIX	4.5%	3.0%	3.0%	2.0%	2.0%	0.0%	2.0%	0.0%		
	Mid Blend	Touchstone Mid Cap Y	T MCPX									3.0%	2.0%
	Small Value	Columbia Small Cap Value I Inst	CSCZX	3.5%	2.5%	3.5%	2.5%						
		Undiscovered Managers Behavioral Val I	UBVSX	3.5%	2.0%	3.0%	2.0%						
	Total			23.5%	23.5%	20.0%	20.0%	10.0%	10.0%	7.5%	7.5%	6.0%	6.0%
Total				23.5%	23.5%	20.0%	20.0%	10.0%	10.0%	7.5%	7.5%	6.0%	6.0%

Increase: Green Decrease: Red

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Asset Class	Category	Name	Ticker	Investment Objective (IO)									
				Aggressive Growth (AG)		Growth (G)		Growth with Income (GWI)		Income with Moderate Growth (IMG)		Income with Capital Preservation (ICP)	
				Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
Equities	Large Growth	Edgewood Growth Instl	EGFIX	16.0%	16.0%	13.5%	13.5%	9.5%	9.5%	6.0%	6.0%	2.0%	2.0%
		Loomis Sayles Growth Y	LSGRX	12.0%	16.0%	10.5%	13.5%	8.0%	10.0%	5.5%	7.5%	3.0%	4.0%
	Large Value	Dodge & Cox Stock I	DODGX	15.0%	15.0%	12.5%	12.5%	9.5%	9.5%	7.0%	7.0%	3.0%	3.0%
		MFS Value I	MEIIX	15.0%	15.0%	13.0%	13.0%	10.0%	10.0%	6.5%	6.5%	3.0%	3.0%
	Mid Growth	MFS Mid Cap Growth I	OTCIX	4.5%	4.5%	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	0.0%	0.0%
	Mid Value	JHancock Disciplined Value Mid Cap I	JVMIX	4.5%	3.0%	3.0%	2.0%	2.0%	0.0%	2.0%	0.0%	0.0%	0.0%
	Mid Blend	Touchstone Mid Cap Y	TMCPX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	2.0%
	Small Growth	American Century Small Cap Growth Inv	ANOIX	6.0%	6.0%	6.0%	6.0%	4.0%	4.0%	2.0%	2.0%	0.0%	0.0%
	Small Value	Columbia Small Cap Value I Inst	CSCZX	3.5%	2.5%	3.5%	2.5%	3.0%	3.0%	3.0%	3.0%	0.0%	0.0%
		Undiscovered Managers Behavioral Val I	UBVSX	3.5%	2.0%	3.0%	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%	0.0%
	Small Blend	Invesco Main Street Small Cap Y	OSCYX	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%
	Large Foreign	Dodge & Cox International Stock I	DODFX	7.0%	7.0%	6.0%	6.0%	4.0%	4.0%	2.0%	2.0%	3.0%	3.0%
		Goldman Sachs GQG Ptnrs Intl Opps Inv	GSINX	5.0%	5.0%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%	0.0%	0.0%
	Emerging Markets	Fidelity Advisor Focused Em Mkts I	FIMKX	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	0.0%
Total				95.0%	95.0%	80.0%	80.0%	60.0%	60.0%	40.0%	40.0%	20.0%	20.0%
Fixed Income	Intermediate High Quality Bond	Baird Aggregate Bond Inst	BAGIX	0.0%	0.0%	5.0%	5.0%	9.0%	9.0%	17.0%	17.0%	27.0%	27.0%
		JPMorgan Core Bond I	WOBDX	0.0%	0.0%	7.0%	7.0%	12.0%	12.0%	18.0%	18.0%	27.0%	27.0%
	Intermediate/Long High Quality Bond	PGIM Total Return Bond Z	PDBZX	0.0%	0.0%	0.0%	0.0%	7.0%	7.0%	13.0%	13.0%	15.0%	15.0%
		PIMCO Investment Grade Credit Bond I-2	PBDPX	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
	Preferred Securities	Principal Spectrum Pref&Cptl Scs IncInst	PPSIX	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	3.0%	3.0%
	Total				0.0%	0.0%	14.0%	14.0%	35.0%	35.0%	55.0%	55.0%	75.0%
Alternatives	Macro: Global Discretionary	Campbell Systematic Macro I	EBSIX	3.0%	3.0%	4.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Multi-Strategy/Fund of Funds	BlackRock Systematic Multi-Strat Instl	BIMBX	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	Total				3.0%	3.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	
Cash	CASH	CASH	Cash	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
	Total				2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Total				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The cash portion of this portfolio is represented by money market instruments.

Increase: Green Decrease: Red No Change: Black Totals: Grey

Investment Objectives

Aggressive Growth (AG): Emphasis is placed on aggressive growth and maximum capital appreciation. This investment portfolio has a very high level of risk and is for investors with a longer time horizon. This portfolios' considered to have the highest level of risk.

Growth (G): Emphasis is placed on achieving high long-term growth and capital appreciation. This portfolio is considered to have higher-than-average risk.

Growth with Income (GWI): Emphasis is placed on modest capital growth. Certain assets are included to generate income and reduce overall volatility.

Income with Moderate Growth (IMG): Emphasis is placed on current income with some focus on moderate capital growth.

Income with Capital Preservation (ICP): Emphasis is placed on current income and preventing capital loss. This is considered the lowest-risk portfolio available, and is generally for investors with the shortest time horizon.

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The portfolio composition is as of the date listed and is subject to change. An investor's actual holdings may differ from the model due to the timing of cash flows and account level investment restrictions. Please note that due to rounding, total may not add to 100%.

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